CD NO.

COUNTRY China

25X1A

ARMY

SUBJECT Conditions in Hankow

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SUPPLEMENT TO

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REPORT NO.

- that Hankow under Communist rule is in a chaotic condition. Production is a a stand-still. According to informant, a former dealer in rice bags, the 25X1A present plight is caused partly by the Nationalist blockade and partly by unrestricted labor strife.
- 2. Due to the general economic collapse, revenue to finance the war and the new government has become very short. The new regime has lifted restrictions on opium and gembling and derives revenue from them.
- In less than a month after the take-over of Hankow, the Communists disarmed the groups of armed peasants who participated with the regular troops in the "liberation" of the city. The peasents resisted this move, but were suppressed and sent back to their villages. After their suppression, they organized a Peoples Anti-Communist, Anti-CHIANG Kai-shek, and National Salvation Army (人民反共反蔣於國軍 ). No information is available as to the size or strength of this local organization.

Canton about I August 1949. He closed his snop, bought a travel pass for fifty catties of rice from an official in the district office in his part of the city, and walked to Kwengtung with his family.

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This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States.

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